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# **TWELFTH ANNUAL REPORT**

## **2004-2005**

## BOARD OF DIRECTORS

Mr. T.N.T. Raajasekar – Managing Director  
 Mrs. Ananthi Raajasekar – Director  
 Mr. A. Narayanamurthy – Director  
 Mr. Er. T.S.R. Dhanasshekar – Director

## BANKERS

Dhanalakshmi Bank Ltd., T. Nagar, Chennai – 600 017  
 State Bank of India, Prakasam Road, T. Nagar, Chennai – 600 017.

## AUDITORS

M/s. Vijayaraghavan & Associates  
 Chartered Accountants  
 Phone: 28264273, Fax:28257223

## LEGAL ADVISOR

Mr. P.B. Ramanujam  
 No.22 Bhagirathi Ammal street, T. Nagar, Chennai – 600 017  
 Phone:28340150

## REGISTERED OFFICE

No.2, 8<sup>th</sup> Cross Street, Nethaji Colony, Velachery, Chennai – 600 042.  
 Phone:55669570

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**NOTICE :**

Notice is hereby given that the Twelfth Annual General Meeting of the company will be held on Wednesday the 21<sup>st</sup> September 2005 at 10.00 a.m. at Royal Hall, No.1, 34<sup>th</sup> Street, 3<sup>rd</sup> Avenue, Ashok Nagar, Chennai – 600 083 to transact the following business.

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March 2005 and the Balance Sheet as on that date.
2. To appoint a director in the place of Mr. R. Mahesh who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors of the company and fix their remuneration

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

**RESOLVED** that in accordance with the provisions of Sections 198, 269 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) consent of the company be and is hereby accorded for the re-appointment of Mr. T.N.T. Raajasekar as the Managing Director of the company for a period of five years with effect from 30/09/2004.

**FURTHER RESOLVED** that subject to the provisions, if any, of the Companies Act, 1956, Board of Directors be and are hereby authorized to alter and vary the terms and conditions of the said appointment and to fix the remuneration of Mr. T.N.T. Raajasekar, Managing Director.

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

**RESOLVED** that consent of the company be and is hereby accorded to delist the equity shares of the company from Coimbatore Stock Exchange and Bangalore Stock Exchange, subject to the statutory clearances/approvals of the stock exchanges.



**FURTHER RESOLVED** that Mr. T.N.T. Raajasekar, Managing Director and/or Mrs. Ananthi Raajasekar, Director be and is/are hereby authorized to initiate necessary steps with regard to delisting of the equity shares from the said stock exchanges and to sign such documents/deeds/applications etc., that may be required to be executed in this regard.

**FURTHER RESOLVED** that the Common Seal of the company be affixed wherever required with respect to delisting of equity shares from the said stock exchanges in the presence of Mr. T.N.T. Raajasekar and/or Mrs. Ananthi Raajasekar.

Place : Chennai  
Date : 30/05/2005

By Order of the Board  
**T.N.T. Raajasekar**  
Managing Director

Registered Office:  
No.2, 8<sup>th</sup> Cross Street, Nethaji Colony  
Velacheri, Chennai – 600 042.

1. The share transfer register and the register of members shall remain closed from 14<sup>th</sup> September 2005 to 21<sup>st</sup> September 2005 (both days inclusive).
2. The members are requested to notify any change in the address to the company's registered office.
3. The members are requested to bring their Annual Report along with them as extra copies will not be supplied.
4. **A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and such proxy need not be a member of the company. Proxy forms should be lodged with the company not later than 48 hours before the commencement of the meeting.**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item no.4**

Term of the office of Mr. T.N.T. Raajasekar as Managing Director of the company expired on 29/09/2004. Board of Directors at their meeting held on 30/09/2004 reappointed Mr. T.N.T. Raajasekar as Managing Director of the company for a further period of five years. Mr. T.N.T. Raajasekar all along has been associated with the company and his able leadership would pave the way for upliftment of the company in the coming years.

Board recommends this resolution for the approval of the shareholders.

Mr. T.N.T. Raajasekar & Mrs. Ananthi Raajasekar are interested in the above resolution.

#### **Item No.5**

Presently the equity shares of the company are listed in four stock exchanges viz., Madras Stock Exchange, The Stock Exchange Mumbai, Coimbatore Stock Exchange & Bangalore Stock Exchange. After the introduction of Online trading system in India, trading of equity shares of the company in Coimbatore Stock Exchange & Bangalore Stock Exchange has become very thin or nil during the past few years. However the company has been paying the listing fees irrespective of the trading of the shares. In order to cut down the cost it is proposed to delist the shares from the said stock exchanges. Delisting would not in any way curtail or restrict the trading of shares by the members of the respective region.

Board recommends this resolution for your approval.

None of the directors is interested in this resolution.

Place : Chennai  
Date : 30/05/2005

By Order of the Board  
**T.N.T. Raajasekar**  
Managing Director

Registered Office:  
No.2, 8<sup>th</sup> Cross Street  
Nethaji Colony, Velacheri  
Chennai – 600 042.

## DIRECTORS' REPORT

To the Members

Your directors have pleasure in presenting the Twelfth Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2005.

<b>FINANCIAL RESULTS :</b>	<b>Rs. in lakhs</b> 31/03/2005	<b>Rs. in lakhs</b> 31/03/2004
Profit/Loss before depreciation & taxes	18.34	(19.05)
Less: Depreciation	1.80	2.62
Profit/Loss after depreciation	16.54	(21.67)
Less: Provision for tax	0.83	1.26
Profit/Loss	15.71	(22.93)
Previous year's loss transferred	72.04	49.11
Loss transferred to Balance Sheet	56.33	72.04

### **OPERATIONS :**

The year under progress will witness comfortable financial utilisation. Better utilisation of infrastructure by diversifying into construction contracts will provide continuous flow of work and revenue.

### **DIVIDEND**

The directors have not recommended any dividend for the year to strengthen the financial base of the company.

### **DIRECTORS**

Mr. A. Narayanamurthy intimated the board about his resignation as a director vide his letter dated 05/05/2005. The board appointed Mr. R. Mahesh as a director of the company in the casual vacancy created pursuant to the resignation of Mr. A. Narayanamurthy to hold the office upto the date of Annual General Meeting. Mr. R. Mahesh being eligible offers himself for reappointment.

### **AUDITORS**

Messrs. Vijayaraghavan & Associates the present auditors of the company retire at this meeting. They have furnished a certificate under section 224(1) of the Companies Act, 1956 of their eligibility for reappointment.

### **CONSUMPTION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

There were no inflow and outflow of foreign exchange during the year. The company is not listed in the Schedule to furnish information as required under the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988.

There were no unclaimed or overdue deposits.

No employee is covered under Section 217(2A) of the Companies Act, 1956.

### **CHANGE IN REGISTERED OFFICE OF THE COMPANY**

The registered office of the company has been shifted to the following address with effect from 01/04/2005.

Ananthi Constructions Ltd  
No.2, 8<sup>th</sup> Cross Street  
Nethaji Colony, Velacheri  
Chennai – 600 042.

### **DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956**

The directors hereby confirm :

1. That in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;
2. That the directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period.
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the directors had prepared the annual accounts on a going concern basis.

### **INDUSTRIAL RELATION:**

The directors wish to place on record their sincere appreciation for the co-operation given by the employees of the company and the industrial community.

Place : Chennai  
Date : 30/05/2005.

By Order of the Board  
**T.N.T. Raajasekar**  
Managing Director

Registered Office:  
No.2, 8<sup>th</sup> Cross Street  
Nethaji Colony  
Velacheri, Chennai – 600 042.

**Vijayaraghavan & Associates**  
Chartered Accountants

51, Giri Road,  
T. Nagar,  
Chennai - 600 017.

**COMPLIANCE CERTIFICATE FROM AUDITORS OF THE COMPANY**

[Under Clause 49 of the Listing Agreement]

To the members of Ananthi Constructions Ltd.

We have examined the compliance of conditions of Corporate Governance by Ananthi Constructions Ltd., for the year ended 31<sup>st</sup> March 2005, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement. We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the shareholders / investors relations committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For Vijayaraghavan & Associates**  
Chartered Accountants

Place: Chennai  
Date : 30/05/2005

**P.B. Vijayaraghavan**  
Partner





## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy on Code of Corporate Governance

Company firmly believes in and has consistently endeavoured to practice good Corporate Governance.

The company firmly believes in the values of transparency, professionalism and accountability in its dealings with its customers, dealers, employees, shareholders and with every individual who comes in contact with the company. The company believes that effective systems and practices alone can enhance the Corporate Performance.

### BOARD OF DIRECTORS

#### Composition of Board :

The Board comprises of four directors, out of which three directors are non-executive. The Chairman of the board is non-executive director and fifty percent of the directors on the board are independent directors.

Following are the directors on the board as on 31/03/2005:

Name of the director	Category	No. of Board meetings attended during FY 2004-05	Attendance at the last AGM held on 23/09/2004
T.N.T. Raajasekar	Executive	6	Yes
Ananthi Raajasekar	Non-Executive	6	Yes
A. Narayanamurthy*	Non-Executive, independent	4	Yes
T.S.R.Dhanasshekhar	Non-Executive, independent	4	Yes

\* Resigned on 05/05/2005.

None of the directors is holding any position or is a member of any committee in any other company. No remuneration is being paid to any director of the company.

Mr. R. Mahesh was appointed by the board at their meeting held on 05/05/2005 as a director in the casual vacancy created pursuant to the resignation of Mr. A. Narayanamurthy to hold the office until this Annual General Meeting. Mr. R. Mahesh being eligible offers himself for reappointment.

### **Board Meetings held during the financial year 2004-05:**

During the financial year board meetings were held on 30/05/2004, 31/07/2004, 30/09/2004, 31/10/2004, 25/01/2005 & 29/03/2005.

### **Audit Committee :**

Brief description of terms of reference:

- Overseeing company's financial reporting process and the disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible
- Recommending the appointment/removal of external auditors, fixing audit fees and approving non-audit, consulting services provided by the firms of statutory auditors of the company and its subsidiaries
- Reviewing with the management the quarterly/half-yearly/annual financial statements before submission to the Board
- Reviewing with the management and external auditors adequacy of internal control systems and recommending improvements to the management
- Reviewing the company's financial and risk management policies

Audit committee comprises of the following three non-executive directors (as on 31/03/2005)

Mr. TSR. Dhanasshekar –Non- Executive & Independent

Mr. A. Narayanamurthy \*– Non-Executive & Independent

Mrs. Ananthi Raajasekar - Non- Executive

\* Resigned on 05/05/2005 & Mr. R. Mahesh who is a non-executive and independent director has been co-opted as a member of the Audit Committee.

During the financial year 2004-05, Audit committee meetings were held on 30/05/2004, 31/07/2004, 30/09/2004, 31/10/2004, 25/01/2005 & 29/03/2005.

Name of member	Category	No. of meetings held	No. of meetings attended
T.S.R.Dhanasshekar	Non-Executive & Independent	6	4
A. Narayanamurthy	Non-Executive & Independent	6	6
Ananthi Raajasekar	Non-Executive	6	5